

RECORDED 27295-1 FILED

FEB 24 '10 -1 00 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

February 24, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Full Service Railcar Lease, dated as of January 4, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 27295.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: Iowa Interstate Railroad, Ltd.
800 Webster Street
Iowa City, IA 52240

A description of the railroad equipment covered by the enclosed document is:

50 covered hopper railcars within the series FLIX 3506 - FLIX 3894 as more particularly set forth in the attachment to the document.

A short summary of the document to appear in the index is:

Memorandum of Full Service Railcar Lease.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



✓ Robert W. Alvord

RWA/sem
Enclosures

FEB 24 '10 -1 00 PM

MEMORANDUM OF FULL SERVICE RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF FULL SERVICE RAILCAR LEASE dated as of this 4th day of January, 2010 to that certain Master Full Service Railcar Lease dated as of January 4, 2010 between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and IOWA INTERSTATE RAILROAD LTD., a Delaware corporation (the "Lessee"), pursuant to which Schedule No. 01 has been executed, is made by the Lessor and the Lessee (the Lessor and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Lessor and the Lessee entered into that certain Master Full Service Railcar Lease dated as of January 4, 2010 and the Parties entered into that certain Schedule No. 01 thereto dated as of the same date (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars"),

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Full Service Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Full Service Railcar Lease to be executed by a duly authorized officer as of the day and year as set forth below.

BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: George Horn
Name: George Horn
Title: Vice President
Date: 1/11/10

IOWA INTERSTATE RAILROAD LTD., as Lessee

By: MC Burkart
Name: MC Burkart
Title: J.P. Co.
Date: Jan 6, 2010

STATE OF New York)
)
) SS:
COUNTY OF New York)

On January 11, 2010, before me, Indra Bedasie, Notary Public, personally appeared George Stone, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Indra Bedasie

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate Filed in New York County
Commission Expires October 19, 2010

STATE OF Iowa)
) SS:
COUNTY OF Linn)

On JAN 6, 2010, before me, Carolyn Lee Young, Notary Public, personally appeared M.C. Buckert personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Carolyn Lee Young



EXHIBIT A
MEMORANDUM OF FULL SERVICE RAILCAR LEASE

<u>Quantity</u>	<u>Car Description</u>	<u>Reporting Marks and Numbers</u>			
Fifty (50)	5161 CF covered hopper railcars, 286,000 GRL capacity, AAR Car Type Code C114, with trough hatches and gravity outlet gates, built by Trinity Industries in 1996.	FLIX	3506	FLIX	3650
		FLIX	3509	FLIX	3667
		FLIX	3522	FLIX	3670
		FLIX	3533	FLIX	3677
		FLIX	3537	FLIX	3679
		FLIX	3541	FLIX	3681
		FLIX	3546	FLIX	3693
		FLIX	3559	FLIX	3709
		FLIX	3564	FLIX	3715
		FLIX	3568	FLIX	3720
		FLIX	3570	FLIX	3732
		FLIX	3576	FLIX	3738
		FLIX	3577	FLIX	3739
		FLIX	3588	FLIX	3740
		FLIX	3592	FLIX	3743
		FLIX	3598	FLIX	3746
		FLIX	3600	FLIX	3748
		FLIX	3603	FLIX	3770
		FLIX	3604	FLIX	3780
		FLIX	3617	FLIX	3796
		FLIX	3624	FLIX	3805
		FLIX	3628	FLIX	3839
		FLIX	3631	FLIX	3855
		FLIX	3639	FLIX	3867
		FLIX	3641	FLIX	3894

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

2/24/10



Robert W. Alvord